

Economics After the COVID-19 Pandemic

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This reprint examines the economic, social, financial, policy and management dimensions of the crisis caused by COVID-19. The pandemic represented a sudden, global and largely unanticipated shock that simultaneously disrupted labour supply, consumer demand, supply chains, mobility and patterns of economic and social behaviour across countries. Its nature, scale and synchronicity then contributed to creating, we believe, a unique empirical setting for observing how modern economies respond to crisis, effectively making COVID-19 one of the most significant natural experiments of recent decades. Throughout, we will analyse the nature of the shocks this pandemic produced.

These triggered transformations were structural rather than temporary, and their consequences have been far from evenly distributed (Bonacini et al., 2021). The pandemic itself affected sectors unequally, hitting hardest those jobs that required close physical proximity and could not easily be performed remotely (Barbieri et al., 2022). In Italy, a long-lasting increase in working-from-home feasibility was associated with higher average labour income, but these gains were not shared equally. Findings suggest that they tended to favour men, older workers, the highly educated and those who were already better paid, thereby risking a further widening of pre-existing labour-market inequalities (Bonacini et al., 2021). These inequalities were especially visible across sectors: while wages appeared to rise for the workforce as a whole, and working from home generally carried a wage premium, low- and medium-paid workers in the hotel and restaurant sector suffered an additional wage reduction of around 13.7% (Aina et al., 2023).

The gender dimension is just as evident. The findings suggest that men and women experienced remote work differently, particularly in relation to flexibility, stress and work–family balance (Scicchitano et al., 2026). Within the group of jobs that can more easily be performed from home we also witness a wider pay gap between men and women, with the disadvantage being especially strong for older and married women (Bonacini et al., 2024). COVID-19 also made the Italian labour market less favourable for young people overall: in Italy, the probability of becoming NEET increased during the pandemic, particularly among those aged 25–34 (Aina et al., 2024).

The geography of citizens' lives and of cities themselves was another field of change. In Italy, localised mobility restrictions reduced individual mobility by about 7 percentage points beyond the reduction observed in neighbouring untreated areas. After lockdown, mobility recovered more slowly in local labour markets with a higher share of disease-exposed professions, more occupations compatible with flexible work and more fixed-term contracts (Caselli et al., 2022). At the same time, the post-COVID reorganisation of work changed the way people use urban space, contributing to the growth of coworking spaces in large urban areas and medium-sized cities between 2018 and 2023 (Biagetti et al., 2025). AI implementation in workplaces then added another layer to these transformations. Its relationship with physical proximity appears inverted U-shaped: it reduces the need for workplace proximity only once it reaches a sufficiently advanced level. Before that point,



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partial adoption may actually increase the need for coordination, supervision and interaction, and therefore may temporarily increase proximity rather than reduce it (Carbonero & Scicchitano, 2025).

The 15 chapters of this reprint broaden the lens of our analysis both thematically and geographically. In Europe, for instance, the pandemic exposed major differences in institutional strength, digital readiness and business competitiveness. In the field of collective bargaining, a key component of European labour economics, academic literature evolved only slowly between 2012 and 2021 towards more socially oriented themes, despite the new pressures created by COVID-19 and technological change (Rueda-López et al., 2023). At the same time, European countries differed sharply in their ability to adapt to digital labour markets. In the Baltic countries, especially Lithuania and Latvia, remote working was already possible before COVID-19 in some professions, such as accounting. Among some surveyed specialists, 86% of respondents had the possibility of working online before the quarantine period. Their assessment was relatively optimistic: around 30% reported higher efficiency when working online, and more than 40% said that key company indicators—revenue, cost of sales and profit—remained stable under quarantine (Subačienė et al., 2024). Likewise, the Netherlands and Finland stand out as frontrunners in labour-market digitalisation, while several South-Eastern European countries lag in digital skills and worker training (Crisan et al., 2023). A similar divide appears in the broader business environment: Germany and Austria remain highly competitive, while Bulgaria and Romania perform worse (Gajdosikova & Vojtekova, 2024).

In terms of macroeconomic resilience, Slovakia provided an important example. Its 2020 GDP decline was ultimately slightly over 5%, rather than the double-digit collapse initially expected, even though investment fell by more than 15% (Tomková et al., 2024). A more sector-specific analysis of Slovakia's mining and construction industries also suggests that these sectors avoided the severe deterioration and bankruptcy risks that might have been expected (Stehlíková et al., 2024). Productive systems showed signs of resilience when supported by emergency policy outside Europe too. For instance, in Bangladesh, real GDP growth fell from 7.9% in FY 2018–2019 to 3.5% in FY 2019–2020, while exports fell by 17.1%. The government responded with support measures that eventually reached 28 stimulus packages, worth approximately USD 26.9 billion. At least four of them have been found to have broadly achieved their relief objectives (Amin et al., 2024).

The pandemic also changed firms' financial structures. In the United States, listed firms with low workplace resilience were hit harder by COVID-19: their dividend growth was more sensitive to workplace restrictions and suffered more than that of high-resilience firms (Daadmehr, 2025). A parallel financial adjustment appears in the GCC economies: analysing 208 listed non-financial firms in five GCC countries from 2010 to 2022, the study finds that COVID-19 had a significant positive effect on debt-to-equity and equity-multiplier ratios, but a negative effect on short-term debt. In other words, firms increased debt financing while shifting away from short-term borrowing towards longer-term funding (Ahmed et al., 2024). Among small businesses, however, the picture was more fragile. In Rio Grande do Sul, Brazil, between 2017 and 2023, an analysis of 8931 small businesses shows that survival rate was higher among firms with larger revenues and varied by region, while it was lower in commerce and financial-intermediation activities. Within commerce, retail, accommodation and food services were especially affected; the smallest firms, with annual revenues below USD 15,576, had only a 39% survival rate after seven years (Tonetto et al., 2024).

The scale of the crisis helps explain the intensity of the policy response. In the United States alone, 712,943 COVID-19 deaths generated an estimated total economic cost of USD 197.9 billion, of which USD 16.02 billion came from direct medical costs and USD

181.9 billion from lost lifetime earnings (Pham et al., 2024). Against this background, low-interest-rate policies became dominant across OECD countries during the pandemic. These policies were associated with lower inflation and lower output growth, but also with higher unemployment during the COVID period. In the post-COVID period, monetary authorities then moved back towards higher interest rates, as governments and central banks tried to balance inflation control with economic recovery (Rathnayaka et al., 2024).

The financial and innovation systems also promptly adjusted. Using multifractal detrended fluctuation analysis, Memon et al. (2024) finds that G20 stock markets became less efficient during COVID-19 and the Russia–Ukraine War, in the sense that prices showed more complex and persistent fluctuations. In the overall comparison, Germany remains the most efficient market, while Italy remains the least efficient.

Innovation drivers in Europe also changed after the pandemic. The attractiveness of the research system remains the strongest driver of the Summary Innovation Index in both periods, but digitalisation becomes more relevant after COVID-19 (Marques et al., 2025).

Yet some deeper inequalities remained remarkably persistent. Quality-of-life rankings across EU member states changed only slightly after the pandemic. Sweden, Denmark, the Netherlands and Luxembourg remained among the countries with the highest quality of life, while Greece, Bulgaria, Romania and Croatia remained among the lowest in both periods (Dermatis et al., 2024).

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